

1/7/2020 10:33 a.m.
N. Johnson, Deputy

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF MARICOPA

Rini O'Neil, PC, a District of Columbia
professional corporation;
Media Financial Services, Inc., a Florida
corporation,

Plaintiffs,

v.

Gabrielle Broadcasting Ordinal I, LLC, an
Arizona Limited Liability Company;
Gabrielle Broadcasting Licensee Ordinal I FCC,
LLC, an Arizona Limited Liability Company;
Gabrielle Broadcasting Licensee I, LLC, an
Arizona Limited Liability Company;
Gabrielle Broadcasting Licensee II, LLC, an
Arizona Limited Liability Company;
John Does 1-10, Jane Does 1-10, ABC
Corporations 1-10, ABC Partnerships 1-10, and
ABC Entitties 1-10,

Defendants.

No. CV2019-013479

ORDER APPOINTING RECEIVER

Upon the verified Complaint and Application in Support of the Appointment of a
Receiver of Plaintiff, and for good cause appearing,

1. IT IS ORDERED, ADJUDGED, AND DECREED appointing Stephan Sloan of
Media Services Group, Inc (the "**Receiver**") as receiver for Gabrielle Broadcasting Ordinal I,
LLC, an Arizona Limited Liability Company; Gabrielle Broadcasting Licensee Ordinal I FCC,
LLC, an Arizona Limited Liability Company; Gabrielle Broadcasting Licensee I, LLC, an
Arizona Limited Liability Company and Gabrielle Broadcasting Licensee II, LLC, an Arizona
Limited Liability Company (hereafter, the "**Receivership Property**"), under the terms and
conditions set forth herein for the Receivership Property.

1 2. IT IS FURTHER ORDERED that the appointment of the Receiver shall be
2 effective upon the entry of this Order and based upon an Oath of Receiver that he will faithfully
3 discharge the duties of Receiver in this action, and the posting of a bond in the amount of
4 \$5,000.00, cash or surety. The appointment of the Receiver is effective immediately upon
5 making such oath and posting the bond without further order of this Court, and at that time the
6 Receiver is ordered to faithfully discharge the duties of Receiver in this action, obey the orders
7 of the Court and serve as Receiver until further order of this Court.

8 3. IT IS FURTHER ORDERED that the Receiver's duties shall include all duties
9 reasonably necessary to take immediate possession of, manage, maintain, and preserve the
10 Receivership Property, including without limitation, the following:

11 (A) Take reasonable and necessary steps to preserve the Receivership Property,
12 including but not limited to taking action with the Federal Communications Commission to
13 preserve broadcast licenses for KXEG and K241CS on their licensed facilities and restoring the
14 stations to operations by February 3, 2020;

15 (B) Maintenance and preservation of the Receivership Property, including all
16 employee, vendor, customer, client, lessee, and renter relationships;

17 (C) Delegating to individuals or entities, as appropriate, the day-to-day tasks of
18 operating the Receivership Property;

19 (D) Payment of expenses incurred in, and contracting for goods and services with
20 respect to, the management, maintenance and preservation of the Receivership Property;

21 (E) Filing, prosecution, defense, and settlement of actions with respect to the
22 management, maintenance, assets, and preservation of the Receivership Property, and recovery
23 of all amounts due to the Receivership Property, arising from or related to the Receivership
24 Property, or to or from the Receivership Property, but excluding any actions for which litigation
25 has already been commenced; and
26

1 (G) Hiring and firing counsel, accountants, property management, real property
2 brokers and agents and other qualified professionals, for the benefit of the Receivership Property.

3 4. IT IS FURTHER ORDERED that the Receiver shall have and take possession of
4 the Receivership Property, including without limitation, all keys, security codes, combinations,
5 passwords and other access codes, and all other collateral of the Defendants;

6 5. IT IS FURTHER ORDERED the Receiver has the power to, in the name of the
7 Receivership Estate, to continue to utilize Defendants' utility accounts that provide services to
8 the Receivership Property; or transfer Defendants' existing utility accounts to the name of the
9 Receivership Estate; or to open new utility accounts in the name of the Receivership Estate to
10 provide services to the Receivership Property; however, all utility accounts will remain in the
11 existing name and Employer Identification number of the Defendants or their successors or
12 assigns.

13 6. IT IS FURTHER ORDERED that all expenses and payments incurred or paid by
14 the Receiver pursuant to any of the powers and duties set forth in this Order shall be paid out of
15 income generated or obtained from the operation or sale of the Receivership Property. If the
16 income from the property is insufficient to pay the ordinary, necessary and reasonable costs and
17 expenses of the management and operation of the Receivership Property, as described in this
18 Order, Plaintiffs may advance to Receiver sufficient funds to pay such ordinary, necessary, and
19 reasonable costs and expenses (the "**Receivership Advances**"). The Receivership Advances
20 made by Plaintiffs shall constitute advances of principal on behalf of the Defendants. Such
21 Receivership Advances shall accrue interest at the highest rate allowed by law. The Receiver is
22 further authorized and directed, to issue Receiver's Certificates to Plaintiffs reflecting the amount
23 and priority of the Receivership Advances. The Receiver shall provide Defendants with an
24 accounting of any and all funds advanced by it or Plaintiffs in fulfilling the Receiver's duties.

25 7. IT IS FURTHER ORDERED that the Receiver is authorized to:
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1 (A) Market and sell the Receivership Property provided, with any proposed sale to be
2 disclosed by correspondence to Defendants at the address maintained on record with this Court
3 at least ten (10) days prior to the sale. The Receiver may proceed with any timely proposed sale
4 resulting from the reasonable performance of the Receiver's duties unless by the close of
5 business on the day prior to such sale, Defendants personally serve the Receiver with an objection
6 to completion of the sale;

7 (B) Modify and terminate existing leases, occupancy agreements, rental contracts, and
8 contracts in the complete discretion of the Receiver;

9 (C) Pay all utilities, expenses, and other obligations secured by or which may give
10 rise to liens, and all other outstanding obligations suppliers and services in the ordinary course
11 of business; including, with Plaintiffs' approval, obligations incurred prior to the commencement
12 of the Receivership so long as the Receiver determines that it is prudent to do so to maximize the
13 value from the sale of the Receivership Property;

14 (D) Make repairs reasonably necessary, and to retain such contractors to the maintain
15 and/or improve the Receivership Property, in the complete discretion of the Receiver, to preserve
16 the Receivership Property and maximize the value from the sale of the Receivership Property;

17 (E) Authorize, oversee, and supervise any ongoing or future construction,
18 maintenance or repair to the Receivership Property;

19 (F) Comply with all laws, rules, ordinances, requirements and regulations applicable
20 to the Receivership Property; and

21 (G) Make payments and disbursements in the ordinary course of business, and to only
22 withhold any disbursements upon the reasonable belief that such funds will be necessary to
23 support the Receivership and/or the Receivership Property.

24 8. IT IS FURTHER ORDERED that, for the benefit of Defendants, the Receiver
25 shall collect all past due, current and future accounts, or other amounts due from the use and
26 service of the Receivership Property, and do all such other things and acts with respect to the

1 Receivership Property, as the Receiver may deem appropriate and act exclusively and solely in
2 the place and stead of Defendants and its current management, existing members and any of its
3 agents and exercise all the powers of Defendants as the owner of the Receivership Property, but
4 this obligation shall not extend to any matter upon which litigation has already been initiated;

5 9. IT IS FURTHER ORDERED that the Receiver has the authority and power to
6 authorize, oversee, supervise, negotiate, and to take any and all necessary actions on behalf of
7 the Receivership Property and Receivership Estate to ensure compliance with federal and state
8 agencies;

9 10. IT IS FURTHER ORDERED that effective immediately, the Receiver is ordered
10 to take any and all actions the Receiver deems reasonable and appropriate to prevent waste to,
11 and to preserve, secure manage, maintain, and safeguard, the Receivership Estate and
12 Receivership Property;

13 11. IT IS FURTHER ORDERED that the Receiver may take such measures as the
14 Receiver deems reasonable and appropriate to maintain the peace and security of persons and
15 property affected by the Receiver's duties, including but not necessarily limited to hiring or
16 otherwise retaining the service of duly licensed public or private law enforcement officers;

17 12. IT IS FURTHER ORDERED that no one with actual notice of this Order shall
18 interfere with the Receiver's efforts and plans in managing, maintaining and preserving the
19 Receivership Estate and Receivership Property. By entry of this Order, Defendants and their
20 current management, existing members and any of its agents or attorneys, are enjoined, restrained
21 and prohibited from:

22 (A) Taking any action or steps to interfere in any manner with the Receiver and its
23 operations of the Receivership Estate and Receivership Property, including contacting, or
24 communicating with any vendors, guests, employees, clients or customers;

25 (B) Taking any steps to interfere with any advertising, marketing and any Web sites
26 relating to the Receivership Estate and Receivership Property;

1 (C) Interfering with the Receiver, directly or indirectly, from exercising its rights and
2 duties under this Order;

3 (D) Making any negative or demeaning statements regarding the Receivership Estate
4 and Receivership Property;

5 13. IT IS FURTHER ORDERED that Defendants shall and, hereby, are ordered to
6 turn over immediately to the Receiver, all keys, access codes, and documentation required to
7 allow the Receiver to quickly, easily, and efficiently perform the duties set forth herein.

8 14. IT IS FURTHER ORDERED the Receiver may receive compensation for the
9 work performed to complete the duties set forth herein, for court and reporting related tasks, and
10 be reimbursed all monies actually advanced for proper and reasonable costs or expenses as
11 Receiver, including the payment of amounts expended or incurred in the course of fulfilling these
12 duties. As the parties do not expect funds to become available until Receivership Property is sold,
13 the Receiver is not obligated to provide regular accounting of expenses and payments.

14 15. IT IS FURTHER ORDERED the Receiver may be entitled to receive a standard
15 commission of seven percent (7%) with a minimum of \$25,000.00 for the sale of the Receivership
16 Property consisting of broadcast licenses KXEG-AM Phoenix, AZ and K241CS-FX Phoenix,
17 AZ, provided the Receiver secures a willing and able prospective buyer and the sale closes. Any
18 such sale, and payment of a commission must be properly noticed in this Receivership action and
19 both the sale and payment of fees are subject to court approval. All other expenses shall be
20 disclosed to this Court in a Notice of Receivership Accounting filed prior to the distribution of
21 any proceeds to the Parties. Any Party may object to the Receiver's fees within ten (10) days
22 after disclosure of such fees. If a written objection to the payment of the Receiver's costs and
23 fees is timely made with the Receiver and the Court, the Court shall set a telephonic hearing on
24 the objection as soon as possible. If no objection is filed within ten (10) days, the Receiver's
25 fees will be deemed approved fees, and the Receiver may thereafter deduct the disclosed costs
26 and fees. The Receiver may file a Notice of Receivership Accounting at any time the Receiver

1 deems appropriate and may file multiple Notices of Receivership Accounting during the
2 pendency of the receivership.

3 16. IT IS FURTHER ORDERED that the funds remaining in the possession of the
4 Receiver after payment of the expenses of the receivership, payment of approved fees set forth
5 in a Notice of Receivership Accounting, and the payment of any and all costs incurred in the
6 management, maintenance and preservation of the Receivership Property, including the payment
7 of taxes, insurance and other similar items incurred in connection with the Receivership, shall
8 only be distributed in accordance with subsequent Court orders.

9 17. IT IS FURTHER ORDERED that the Receiver is authorized to enter into a
10 contract for the sale of the Receivership Property, specifically the sale of the Receivership
11 Property consisting of broadcast licenses KXEG-AM Phoenix, AZ and K241CS-FX Phoenix,
12 AZ; and that this Order provides the Receiver with the power and authority to convey the
13 Receivership Property.

14 18. IT IS FURTHER ORDERED that neither Plaintiffs nor the Receiver shall be
15 liable for any debt incurred by Defendants relating to the Receivership Estate.

16 19. IT IS FURTHER ORDERED that all third parties in possession of property and
17 documentation subject to this Order are hereby ordered to turn over such property and
18 documentation to the Receiver within five business days of receipt of a copy of this Order, and
19 are authorized to rely on this Order to communicate with the Receiver regarding the Receivership
20 Property.

21 20. IT IS FURTHER ORDERED to promote judicial efficiency, all persons who
22 receive actual or constructive notice of this Order are enjoined in any way from disturbing the
23 assets of this Receivership, or from prosecuting any new proceedings (including collection or
24 enforcement proceedings) that involve the Receiver and the Receivership Property (including
25 any proceeding initiated pursuant to the United States Bankruptcy Code) unless such person or
26 persons first obtains the permission of this Court;

1 21. IT IS FURTHER ORDERED that the Receiver may apply for such other orders
2 as it may deem necessary for the effective management and control of the Receivership Property;
3 and that this Receivership will continue in effect until further order of this Court.

4 DONE IN OPEN COURT this 7th day of January 2020.

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7 Timothy J. Thomason
8 Judge of the Superior Court – Maricopa County
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